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The role of occupational and socio-demographic determinants on the age of retirement in Spain.

Spain is one of the countries of the European Union where activity rates of people of 55 to 64 years of age are among the lowest. This situation, in a context of demographic ageing, constitutes a serious problem. The importance of identifying which variables determine early retirement becomes, therefore, of great interest among social scientists and demographers.

This paper presents results from an empirical study based on results from a binary logistic regression using micro data of more than 97.428 people from 50 to 64 years of age taken from the Spanish LFS of the years 2000, 2001, 2002, 2003 and 2004. Its aim was to asses the relative impact of an array of occupational and socio-demographic variables such as gender, education, occupation, employment status (employer or employee) and brunch of industry on the likelihood of remaining occupied in the labour market at the end of working life.

The main conclusions drawn from the analysis are that the profile with a stronger propensity to early retirement is that of someone with no formal education and unskilled employee on the agriculture, the transportation or the manufacturing industry. On the other hand, those with the highest probability of remaining employed until at least age 65 are employers or self-employed people of any branch of activity and also male employees with college education working in the branches of health care or education.

Employment status and education are the most important determinants of the list, but overall, the variables considered do not explain more than 17% of the variance, which may lead to the conclusion that in Spain structural macro-level determinants could be playing a more relevant role than socio-demographic characteristics of individuals on the age of retirement. Patterns for an early out exit from the labour market designed by institutions and social actors might be conditioning the behaviour of individual workers to the extent that individual characteristics such as those analyzed here do no show a more decisive impact on the age of retirement.